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OFFICIALS IN POST V-E DAY STATEMENTS SEE SURE STEADY PROGRESS TO RECONVERSION, BUT IT MAY BE SLOW

With V-E Day passed, progress to reconversion will be sure, but possibly somewhat slow, according to the first pronouncements of government officials on the subject.

War Mobilization and Reconversion Chief Fred M. Vinson said cutbacks in war production during the next three months would run only 10 or 15%, and that production for the Japanese war would probably run at about two thirds of present levels for some time to come.

On the subject of when new civilian goods might be expected, his statement on new automobiles probably gives as good a clue as any:

"A few cars may be coming off the assembly lines in six to nine months, but it will be a long time before they are produced in really large quantities."

WPB officials over the weekend noted progress in the matter of initial steps towards reconversion, declaring that requests for preliminary reconversion aid in the matter of machine tools and construction from the 72 industries listed by WPB as probably in need of such assistance are being received.

WPB singled out the household mechanical refrigerator industry as an example of those selected on the list. The industry has been almost 100% converted to war production and has been out of production as far as refrigerators were concerned. Reconversion for the industry, said WPB officials, involves plant layouts, use of different materials, use of different skills, etc.

In granting an AA-3 rating now for reconversion retooling and construction, WPB hopes to reduce the time lag between the cancellation of war contracts and the start of actual peacetime production.

AA-5 RATING UNDER MRO FOR CONDENSING UNITS AND LOWSIDES MAY BE APPLIED

In the story "Ratings That May Now Be Used For Systems," published on page 4 of the May 7 issue, we were a little too categorical in saying that retail food stores and restaurants can't apply MRO ratings for condensing units and lowside assemblies under CMP Regulation 5.

While it is true that such establishments are not covered in Schedule A, which gives the AA-1 and AA-2 ratings, Interpretation 7 to CMP 5 (paragraph "b") says that persons engaged in selling food products which they do not produce are entitled to use the AA-5 rating to obtain maintenance, repair, and operating supplies for their business.

This means that food stores and restaurants *can* apply an AA-5 MRO rating for condensing units and lowside assemblies. Catch is that the AA-5 will not get any kind of delivery from most condensing unit manufacturers. It may be considerably more helpful on lowsides.

Further action to tighten up use of ratings for such equipment was taken by WPB this week in the form of an interpretation to CMP Regulation 9-A which says that "no repairman may use the AA-3 rating permitting under CMP-9A to buy condensing units, lowside assemblies, or refrigerated enclosures—"

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PROPOSED MERGER OF EUREKA VACUUM CLEANER AND WILLIAMS OIL-O-MATIC BRINGS SPECULATION ON REFRIGERATOR ACTIVITY

Eureka Vacuum Cleaner Co. of Detroit and Williams Oil-O-Matic Heating Corp. of Bloomington, Ill., have called special meetings of stockholders for May 28 to act upon a proposed merger of Williams Oil-O-Matic into Eureka on the basis of one-half of Eureka for each share of Williams Oil-O-Matic.

The merger proposal has touched off considerable speculation that the merged companies might be planning the production and merchandising of electric refrigerators on an extensive scale. The Williams "Ice-O-Matic" electric refrigerator has been on the market since 1928, although it never achieved the relative importance that the "Oil-O-Matic" oil burner did in the heating field.

What may be more significant, however, is the fact that the president of Eureka Vacuum Cleaner Co. is Henry Burritt, who was for many years vice president in charge of sales of Kelvinator Corp., and who thus has an intimate knowledge of the refrigeration business.

Eureka has already taken some steps to broaden its scope of manufacturing; some time ago the company acquired the rights to a cordless iron which it will produce and sell.

Eureka stockholders at their meeting will act on a proposal to purchase 245,000 shares (about 57%) of Williams Oil-O-Matic stock from Walter W. Williams for $1,386,700 and any shares which other stockholders may wish to sell to Eureka at $5.16 a share.

If the merger goes through, Eureka will be the continuing corporation and the Williams Oil-O-Matic stockholders who do not elect to sell will become stockholders of Eureka.

REVOCATION OF ORDER L-38 IMMINENT; WON'T MEAN MUCH IMMEDIATELY

By the time you are reading this, Limitation Order L-38 covering commercial and industrial refrigeration and air conditioning equipment will very probably have been revoked.

This is a cheering note in its implications on the relaxing of controls, but it does not mean that manufacturers of commercial refrigeration equipment will be able to fill any and all orders for equipment immediately.

Manufacturers just haven't been given the materials, and they may not even get very much for civilian products in the third quarter.

OPA WILL STRIVE TO HOLD PRICES OF CONSUMER DURABLE GOODS TO 1942 LEVELS

While OPA Administrator Chester Bowles' official announcement on pricing policies for civilian goods which may be made in reconversion programs will not be made until after this issue of the NEWS goes to press, there have been enough official "hints" to predict safely that he will ask for "ceilings at the 1942 levels."

Manufacturers will probably be permitted to submit information as to their increased costs of production, but as one observer puts it, the OPA's reconversion-pricing policies will demand absorption of cost increases "till it hurts"—both on the part of the manufacturer and his distributing organization.

OPA's objective, it is said, is to have goods back on the market at the 1942 retail price, regardless of manufacturers' costs. If price increases are shown to be necessary at the manufacturing level, distributors may be pressed to absorb the added cost.

It will be OPA's contention that higher wage rates will be partly offset by cuts in overtime and improved manufacturing methods.

SUN LAMPS NOW AVAILABLE WITHOUT SPECIAL CERTIFICATION

Sun lamps may now be purchased without restrictions, WPB announced last weekend. Previously, such lamps could be obtained only with a certification of necessity from a physician.

The supply of sun lamps is said to be very limited at the present time.

WPB CONSIDERS ALLOTMENTS FOR 56,000 ADDITIONAL ELECTRIC RANGES IN 3rd QUARTER

WPB currently is considering a proposal to provide, in the third quarter of 1945, material for 56,000 ranges in addition to those needed to fulfill the quarterly program. This proposal, if approved, would permit manufacturers to place advance orders for material in preparation for reconversion.

Officials emphasized, however, that current WPB procedures permit allotments of materials to manufacturers only for immediate production purposes (subject to approval for the use of manpower on Form WPB-3820), not for stockpiling in anticipation of future production, when manpower and facilities are available.

Production of 25,209 domestic electric ranges in the first quarter of 1945 did not reach the 1945 quarterly program for 35,000 because increased demands for war production in the first quarter resulted in severe tightening of the supply of manpower for civilian production, WPB representatives explained.

WPB authorizations assigned to date for production of electric ranges in the second quarter of 1945 total 23,372, and in the third and fourth quarters, 22,597 per quarter.

Steps already taken by WPB to facilitate reconversion for civilian production were outlined by officials. Chief among those affecting the electric range industry is the acceptance of applications from manufacturers for permission to obtain bottleneck tools (on Form WPB-1319) and to construct facilities (on Form WPB-617). WPB officials reported that domestic electric range manufacturers have indicated no need for new construction to achieve a minimum economical level of range production, but requests for new tools total $250,000. For production at the prewar rate, a need for $500,000 worth of new tools, and no new construction, is indicated, WPB officials added.

Further WPB actions in connection with reconversion of the electric range industry, officials said, are contingent upon decisions, yet to be reached, concerning such problems as the following: When and how will the Controlled Materials Plan be modified? To what extent will the end of the European war result in cutbacks of military orders and the release of critical materials? To what extent will production of civilian items be programmed after V-E Day? When should the electric range order (L-23-b) be revoked or revised?

'ENOUGH FOR ALL,' STEEL INDUSTRY TELLS KRUG

After consideration of figures of military and probable civilian demands for steel following the cessation of hostilities in Europe, the Steel Industry Advisory Committee at its recent meeting assured J. A. Krug, WPB Chairman, of the industry's ability to take care of requirements for the war against Japan and at the same time provide all necessary steel for war-supporting civilian activities and for reconversion.

It was pointed out by the committee that there is now capacity sufficient to take care of the requirements for the war against Japan and still have available an amount well in excess of the average prewar civilian consumption.

The committee further assured Mr. Krug that if all controls for the use and distribution of steel were removed with the exception of priorities on the remaining military load, there would be no question of the ability of the industry to meet civilian needs through its ordinary distribution channels in such a way that small consumers as well as large consumers would receive their full share of steel production.

MORE COPPER TO BE AVAILABLE FOR NON-MILITARY USES

Military consumption of copper will be reduced about 15% from the current level with a shift to a one-front war, WPB's Copper Division has estimated.

Hiland G. Batcheller, WPB's Chief of Operations, indicated that the total cutback in copper and copper-base alloy consumption by the military services after the end of the war in Europe would be about 500,000,000 pounds quarterly from the level scheduled for the second quarter of 1945. The Copper Division explained that this scheduled level is in excess of current use, and that the reduction from actual use in the first quarter of this year would be only about 345,000,000 pounds of copper and alloys. In terms of refined copper content, the saving would be approximately 148,000,000 pounds quarterly.

BIG BLOCK OF GIBSON REFRIGERATOR CO. STOCK IS OFFERED FOR SALE

Public offering of 247,140 shares of the stock of Gibson Refrigerator Co. of Greenville, Mich., was made this week by a banking group headed by Paul H. Davis & Co. and Shillinglaw, Bolger & Co., Inc.

Selling stockholders were Charles Gibson, who released 150,000 shares of his holdings, Frank S. Gibson, Jr., with 84,000, and Justine E. Hamper with 11,940.

It is said that the 150,000 shares thus offered for sale by Mr. Charles Gibson represent close to half of his holdings, as do the 84,000 released by Mr. Frank Gibson. Together, the Gibsons have controlled 90% of the company's outstanding stock.

The stock was $1 par common currently priced at 11¾. None of the proceeds from sale will accrue to the company.

NATIONAL DAIRY CORP. IN MARKET FOR 50,000 NEW REFRIGERATED CABINETS

Fifty thousand new refrigerated ice cream and food preservation cabinets, and 10,000 new trucks (presumably mostly of the refrigerated variety) are included in the program of purchases for modernization that National Dairy Products Corp. will carry out in the first five years following the end of the War.

Expenditure for new plants and equipment will total between $50 and $75 million, L. A. Van Bomel, president, stated at the annual meeting.

The company will construct five new buildings, which will probably call for extensive installation of refrigeration equipment.

Funds for the postwar expansion modernization program will come primarily from the accumulation of normal reserves for depreciation and from cash resources.

MOTOR MANUFACTURERS SAY THEY SHOULD BE ABLE TO 'KEEP UP' WITH RECONVERSION PROGRAMS

Production of alternating current motors totaled 551,000 in March as compared with 524,000 in February, and members of the Fractional Horsepower Electric Motor Industry Advisory Committee declared that the industry could accelerate motor production to keep pace with reconversion programs of the appliance industry.

Future increases at the rate of about 5% per month can be expected.

Members of the committee reported that the industry would be able to handle the orders under the preliminary reconversion programs if materials and manpower are made available. At present, the industry is feeling the pinch of long deliveries, especially in electrical sheet and copper products. WPB officials assured the committee that steps would be taken to solve the difficulty but expressed doubt that military cutbacks would bring appreciable relief in these special materials.

Members of the Integral Horsepower Electric Motor Industry Advisory Committee have expressed the opinion that the industry is in an excellent position to meet demands for integral horsepower motors required for resumption of civilian production, as soon as manpower and materials become available.

Only a minimum of retooling will be necessary for reconversion to peacetime programs, committee members said.

WPB officials told the committee Directive WPB-I 2794 would be allowed to expire May 1. The purpose of the directive, to provide facilities for certain of the urgent military programs, has been fully accomplished, they said.